

FIRST REGULAR SESSION

SENATE BILL NO. 284

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATORS CAUTHORN AND CLEMENS.

Read 1st time February 3, 2005, and ordered printed.

TERRY L. SPIELER, Secretary.

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AN ACT

To amend chapter 348, RSMo, by adding thereto three new sections relating to the Dairy Herd Development Revolving Fund.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 348, RSMo, is amended by adding thereto three new sections, to be known as sections 348.500, 348.503, and 348.506, to read as follows:

348.500. As used in sections 348.500 to 348.506, the following terms shall mean:

(1) "Authority", the Missouri agricultural and small business development authority;

(2) "Dairy herd development", any project designed to produce economic activity through the establishment or expansion of a dairy herd or the dairy business;

(3) "Dairy herd development loan", a loan for the acquisition of dairy cows;

(4) "Department", the department of agriculture;

(5) "Eligible farmer", a borrower qualifying for a dairy herd development loan under such criteria and priorities as may be established in rules of the authority or in procedural manuals issued thereunder for the purpose of directing the use of available loan funds on the establishment or expansion of a dairy herd;

(6) "Fund", the dairy herd development revolving fund.

348.503. 1. For the purpose of developing dairy herd economic activity in this state there is hereby created in the state treasury a "Dairy Herd Revolving Fund" to be administered by the Missouri agricultural and small business authority. All expenses incurred and revenues received from the activities described in sections 348.500 to 348.506 shall be paid for out of and deposited in the dairy herd development revolving fund. Any moneys appropriated and any other moneys made available by gift, grant, bequest, contribution, or otherwise to the

department to carry out the purpose of sections 348.500 to 348.506, and all interest earned on, and income generated from, moneys in the fund shall be paid to, and deposited in, the dairy herd development revolving fund.

2. To initially establish this fund, the general assembly may appropriate up to one million dollars to the dairy herd development revolving fund and may further appropriate one million dollars per year. At no time shall the general assembly appropriate money to the fund if the authority is able to loan one million dollars per fiscal year through principle and interest payments received to the fund. The initial appropriated amount shall not be construed to limit in any way the future balance of money in the fund.

3. Any unexpended balance in the dairy herd development revolving fund at the end of any appropriation period shall not be transferred to the general revenue fund of the state treasury and, accordingly, shall be exempt from the provisions of section 33.080, RSMo, relating to transfer of funds to the general revenue funds of the state by the state treasurer.

4. The fund shall be administered by the authority.

348.506. 1. Eligible borrowers:

(1) Shall use the proceeds of the dairy herd development loan to acquire dairy cows; and

(2) May not finance more than ninety percent of the anticipated cost of the project through the dairy herd development loan.

2. The time of repayment of the principal and interest of the loan shall be established under the rules promulgated by the authority. Repayment of the loan shall adhere to the following schedule:

(1) No payments in the first year of repayment;

(2) Interest only in the second year of repayment;

(3) Amortized equal payments of principal and interest for the third to the seventh years of repayment.

3. The authority shall loan in any fiscal year an amount not to exceed its appropriation of the preceding year.

4. The authority shall promulgate rules establishing eligibility under the provisions of sections 348.500 to 348.506, taking into consideration:

(1) The eligible borrower's ability to repay the dairy herd development loan;

(2) The general economic conditions of the area in which the dairy herd will be located;

(3) The prospect of success of the particular project for which the loan is sought; and

(4) Such other factors as the authority may establish.

5. The authority may promulgate rules to provide for:

(1) The requirement or nonrequirement of security or endorsement and the nature thereof;

(2) The maximum rate of interest;

(3) The right of the eligible borrower to accelerate payments without penalty;

(4) The effective period of the loan;

(5) The assignability of dairy herd development loans by the authority;

(6) Procedures in the event of default on a dairy herd development loan;

(7) The due diligence effort on the part of the authority for collection of loans;

(8) Collection assistance to be provided by the attorney general's office to the authority; and

(9) The extension of the loan in consideration of duty in the armed forces, unemployment, natural disasters, or other hardships.

6. The authority shall promulgate rules establishing limits for loans issued under sections 348.500 to 348.506, provided they consult with the Missouri dairy growth council and receive recommendations from the council on such limits.

7. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2005, shall be invalid and void.

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